



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

February 18, 2008
Armen Babakhanian, Plant Manager
Dynacast, Inc.
25952 Commercentre Dr.
Lake Forest, CA, 92630

Dear Mr. Babakhanian:

RE: **FINAL MONITORING VISIT REPORT** for Dynacast, Inc – ET06-0233

Date of the Visit:	01/16/08
Beginning/Ending Time:	10:00 a.m. – 11:30 p.m.
Date of Last Visit:	08/17/07
Visit Location:	Via Telephone
Persons in attendance:	Erika Eidsvold, Human Resources Manager, Dynacast, Inc., and Carole Robinson, ETP Contract Analyst.
Action Required:	NO

CONTRACT INFORMATION:

Term of Agreement:	02/07/06 – 02/06/08	Agreement Amount:	\$28,210
Training Start Date:	03/16/06	No. to Retain:	35
Date Training must be Completed:	11/06/07	Range of Hours:	24 - 100
Type of Trainee:	Retrainee	Weighted Ave. Hours:	62

FINAL REPORT SUMMARY:

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed and training began on 03/16/06. Ms. Eidsvold reported that all training was completed on 09/21/07, which allows for the 90-day retention period to be completed within the term ending date of the Agreement (02/06/08).

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ETP (05/16/07)

There was one Modification requested to change the Signatory to the new Plant Manager, Armen Babakhanian during the term of this Agreement. This request was approved by the San Diego Field Office Manager on 06/01/06.

- **INTERVIEW WITH COMPANY REPRESENTATIVE**

You reported that Dynacast experienced several disruptions during the term of the Agreement that negatively affected the outcome of training. First, the previous Plant Manager and Signatory for the Agreement left the company shortly after training began. Then the ETP coordinator and Human Resources Manager, who was responsible to identify the company's training needs during development of the training plan, was on maternity leave for several weeks which stalled delivery of training during her absence. Although she enrolled 30 retrainees and some training had been delivered prior to her departure, Dynacast's ETP coordinator left the company upon return from maternity leave. Ms. Eidsvold, Dynacast's new Human Resources Manager, assumed the duties was assigned the duties relating to administration of this Agreement. .

Ms. Robinson provided general ETP program information and training on the use of ETP's Forms and Tracking Online websites to Ms. Eidsvold during a Monitoring Visit in October, 2006. During this visit, she also assisted Ms. Eidsvold in identification of ETP eligible Class/lab rosters from ineligible sessions (safety training, etc.) that had been delivered since approval of this Agreement. Although training continued to be delivered on a random basis, Ms. Eidsvold stated that some sessions were not eligible for ETP reimbursement, such as safety training. In addition, she reported that she did not understand the goals of the company in terms of how training would potentially support the company's needs. Therefore, she was unable to identify any improvements Dynacast realized as a result of the training delivered.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	53	Completed Training:	3
Trainees Enrolled:	53	Completed Retention:	3
Dropped Following Enrollment:	0	In Retention Period:	17
No. Completed Minimum Reimbursable Hours :	*20		

* According to ETP records at the time of this final meeting, Dynacast will retain up to 20 retrainees (57%) of the planned retentions. The aforementioned retrainees have completed a total of 863 hours of Class/lab training. Based on ETP records, Dynacast will be eligible for a total reimbursement of \$11,219 (40% of the ETP encumbered funds) if all other conditions of ETP eligibility are met. Current records show that Dynacast has received \$4,751.50 in Progress Payments of which \$1,326 is considered earned and \$3,425.50 is unearned Progress Payments. Ms., Eidsvold stated that the company will be submitting a closeout invoice no later than 03/05/08.

ATTENDANCE ROSTERS/INVOICES/ TRAINING TRACKING RECORDS:

Ms. Robinson reviewed class/lab attendance rosters for four randomly selected trainees who are enrolled in Job 1. She compared the rosters to the Agreement's Curriculum and checked to ensure that each roster contained the necessary information required by ETP, under Title 22, California Code of Regulations, 4442. In addition, she compared the number of training hours in Dynacast's tracking records for the four retrainees selected with the number of training hours documented on the applicable Class/lab Rosters.

Ms. Robinson found that the records reviewed for the four selected retrainees contained the necessary information required by ETP and the Class topics matched those contained in the Agreement's Curriculum. The review of the above sample also verified that the hours reported on Dynacast's tracking records matched those contained within the applicable Class/lab Rosters.

Invoice numbers 1 and 2 submitted to date have been validated in previous Monitoring Reports.

SUBAGREEMENTS:

Ms. Eidsvold reported that all subagreements for training vendors who provided services for this Agreement have been submitted for review and entered on the Subcontractor List, ETP 100D via ETP's on-line system.

AUDIT:

Dynacast will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

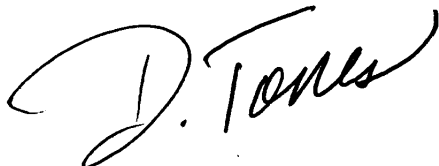
RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4)

years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information contained in this letter, please contact Carole Robinson at (619) 686-4971, or CRobinson@ETP.CA.Gov within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Torres".

Diana Torres, Manager
San Diego Field Office

A handwritten signature in black ink, appearing to read "Carole Robinson".

Carole Robinson, Contract Analyst
San Diego Field Office

cc: Kulbir Mayall, Manager, ETP Fiscal
Master File
SD Project File

Date report e-mailed to Contractor: 02/18/08